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HDO, and is therefore filed as a matter of right under Section 73.3522(b)(2). KR reports in its amendment current construction and initial operation cost estimates, and provides additional information concerning the reason for the revised cost estimates set forth in KR's June 3, 1992, amendment.

In the HDO the Chief, Audio Services Division ("Chief") specified a financial issue against KR after he accepted that portion of KR's June 3, 1992, amendment which provided a new financial certification, but did not accept that part of the amendment which provided revised construction cost estimates. The Chief added the issue because KR's amended certification of the availability of \$250,000 did not meet the construction cost estimates set forth in KR's original application.¹ HDO at paragraph 5. KR's original cost estimates were \$388,300. Its revised cost estimates listed in the June 1992 amendment were \$203,450.

The Chief did not believe that KR had shown good cause for the revised estimates noting, for example, that it had not explained the reasons for the revision. HDO at paragraph 5. KR provides that information in the attached amendment. When KR learned that its original source of financing, Mr. George Handgis, had withdrawn his financial commitment (by letter dated April 28, 1992, to Julie O'Connor), Ms. O'Connor began seeking alternative financing. As

¹ KR's application was originally filed in the name of Julie O'Connor, an individual applicant. In February 1992 the application was amended to substitute KR as the applicant. For convenience, the applicant is identified as KR for all time periods involved.

she did so, it became apparent that it would be difficult for KR to obtain another funding commitment in the same amount which Mr. Handgis had agreed to provide (\$400,000). As a consequence, KR revised its cost estimates to reduce the amount of funds it would need to construct and operate its station for three months without relying on revenue. On May 26, 1992, less than 30 days after Mr. Handgis withdrew his commitment, Ms. O'Connor executed KR's amendment reporting the revised estimates and a new certification of funding in the amount of \$250,000. The amendment was then filed on June 3, 1992.

After the release of the HDO, KR again undertook to examine its cost estimates to account for any changes in its plans for the station, or the cost of items included in the estimates previously reported in KR's June 1992 amendment. As a result of that re-examination KR reports in the attached amendment current cost estimates of \$239,225, and amends its response to Section III, Question 2 of Form 301 accordingly.² KR anticipates relying on these current estimates in meeting its burden of proof under the designated financial issue.

KR's amendment conforms fully to the requirements of Section 73.3522(b)(2). It is filed within 30 days after publication of a summary of the HDO in the Federal Register, and it relates to an

² KR also reports in its amendment that during the course of re-examining its cost estimates it discovered that the June 1992 amended estimates inadvertently did not include legal fees. The cost estimates reported in the June 1992 amendment should have been \$233,450, rather than \$203,450. As KR further states, however, this inadvertent error does not affect the validity of the certification contained in the June 1992 amendment.

issue first raised in the HDO. See Scioto Broadcasters, Limited Partnership, 6 FCC Rcd 1893 (1991), recon. denied, 6 FCC Rcd 4626 (1991); see also Aspen FM, Inc., 6 FCC Rcd 1602, 1604 n. 6 (1991); Edwin A. Bernstein, 4 FCC Rcd 8420, 8422 n.5 (Rev. Bd. 1989). When KR filed its June 1992 amendment it fully believed that it was financially qualified, having provided a new financial certification in an amount sufficient to cover its revised cost estimates. The financial issue was added because the Chief did not believe that KR had provided sufficient information explaining why it had revised its cost estimates. Until the Chief first raised this question KR had no notice of the perceived deficiency in its financial proposal. See Radio Associates, Inc., 6 FCC Rcd 2094, 2096 n.5 (Rev. Bd. 1991). KR's amendment is essentially a technical amendment which explains the reasons why it revised its cost estimates in its June 1992 amendment, and provides updated cost estimates in anticipation of meeting the financial issue. Ibid.

KR's amendment also meets the good cause standard set forth in Erwin O'Connor Broadcasting, 22 FCC 2d 140 (Rev. Bd. 1970), for post-designation amendments. KR's June 1992 amendment resulted from the withdrawal of Mr. Handgis's financial commitment. As KR sought alternative financing it learned that it would probably not be able to obtain new financing in the same amount and was thus forced to revise downward its cost estimates to remain financially qualified. It revised its estimates, obtained a new source of financing, and filed its June 1992 amendment within approximately

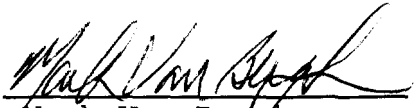
30-35 days after receiving Mr. Handgis's letter withdrawing his original commitment. Thus, KR acted diligently and in response to an involuntary situation in filing its June 1992 amendment. KR's attached amendment, filed in response to the unanticipated issue added in the HDO, updates and revises slightly KR's cost estimates and provides additional information concerning the preparation and filing of its June 1992 amendment.

Acceptance of the attached amendment will not necessitate the modification or addition of issues or parties to this proceeding, nor will it disrupt the orderly conduct of this proceeding or require any additional hearings. Rather, KR's amendment relates to the financial issue added in the HDO, and is filed in anticipation of KR meeting its burden under that issue. No party will be unfairly prejudiced since the amendment concerns KR's basic

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Respectfully submitted,

KR PARTNERS

By: 
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Dated: May 27, 1993

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FEDERAL COMMUNICATIONS COMMISSION
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MARK VAN BERGH
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May 27, 1993

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

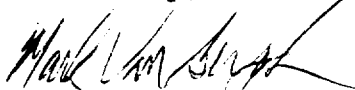
Re: KR Partners
BPH-911001MB
MM Docket 93-53

Dear Ms. Searcy:

On behalf of KR Partners, applicant for a construction permit for a new FM station on Channel 256C at Waimea, Hawaii, File No. BPH-911001MB, submitted herewith in triplicate is an amendment to its pending application. This amendment is the subject of a simultaneously filed Petition for Leave to Amend.

Should any questions arise concerning this matter please contact undersigned counsel.

Sincerely,



Mark Van Bergh

cc: w/encl.
Administrative Law Judge Gonzalez
Counsel for all parties

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AMENDMENT

This is an amendment to the application of KR Partners ("KR"), applicant for a new FM station at Waimea, Hawaii, File No. BPH-911001MB. The purpose of this amendment is to update Section III of KR's application to provide revised cost estimates for KR's proposed station, and to provide additional information concerning an earlier revision of KR's cost estimates submitted in an amendment filed June 3, 1992.

When KR's application was first filed it was in the name of Julie O'Connor, an individual applicant. The application was later amended in February 1982 to substitute KR a general partnership.

\$388,300, and relied on funding from Mr. Handgis in the amount of \$400,000. After Mr. Handgis withdrew his financial support and Ms. O'Connor began seeking alternative financing, she learned that it would be difficult to obtain another funding commitment for \$400,000.

Because of the reduced funding that Ms. O'Connor believed would be available to KR, she re-examined and revised the cost estimates for KR's proposed station to reduce the amount of funds that would be necessary to construct and operate the station for three months without relying on revenue. The revised estimates reported in KR's June 3, 1992, amendment were \$203,450. Some of the changes made in KR's construction and initial operating plans which resulted in the reduced cost estimates included a greater reliance on used or less expensive equipment, and scaling back the station's main studio (including program origination equipment) and personnel requirements.

KR was able to obtain a new funding commitment from BDC Services, Inc. in the amount of \$250,000, which was set forth in KR's June 3 amendment. The amount of funds available from BDC was sufficient to cover KR's revised cost estimates, and the June 3 amendment therefore included a new certification that KR had reasonable assurance of the availability of sufficient funds to construct and operate its proposed facility, as revised, for three months without relying on revenue.

Following the designation of KR's application for hearing, and the inclusion of a financial issue against KR, Ms. O'Connor again

examined KR's cost estimates. The purpose of this re-examination was to account for any changes in KR's current plans for its station or the cost of items included in the estimate reported in KR's June 3, 1992, amendment. As a result of that re-examination, KR now estimates that it will require \$239,225 to construct and operate its proposed station for three months without revenue.

Additionally, in the course of re-examining KR's cost estimates, Ms. O'Connor discovered that the cost estimates reported in KR's June 3, 1992, amendment inadvertently did not include the amount estimated for legal fees. As a result, the estimate reported in KR's June 3, 1992, amendment should have been stated as \$233,450, rather than \$203,450. This inadvertent error does not affect the validity of the financial certification contained in the June 1992 amendment.

In light of the foregoing, KR amends Section III of its application to change the response to Question 2 to \$239,225.


Julie O'Connor

Dated: May 25, 1993

CERTIFICATE OF SERVICE

I, Mark Van Bergh, an attorney in the law firm of Waysdorf &